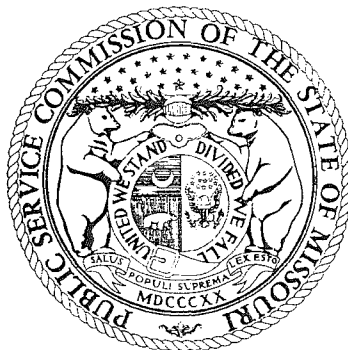


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**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**



In the Matter of the Application of Tel-Save, )  
Inc., d/b/a Tel-Save, Incorporated of )  
Pennsylvania, for a Certificate of Service )  
Authority to Provide Basic Local Telecom- )  
munications Service in Portions of the State )  
of Missouri and to Classify Said Services as )  
Competitive. )

Case No. TA-97-485

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**REPORT AND ORDER**

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**Issue Date:** August 12, 1997

**Effective Date:** August 22, 1997

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of the Application of Tel-Save, )  
Inc. d/b/a Tel-Save, Incorporated of )  
Pennsylvania, for a Certificate of Service )  
Authority to Provide Basic Local Telecom- )  
munications Service in Portions of the State )  
of Missouri and to Classify Said Services as )  
Competitive. )  
)

Case No. TA-97-485

**APPEARANCES**

Charles Brent Stewart, French & Stewart, 1001 Cherry Street, Suite 302, Columbia, Missouri 65201, for Tel-Save, Inc. d/b/a Tel-Save, Incorporated of Pennsylvania.

Anthony K. Conroy, Attorney, Southwestern Bell Telephone Company, 100 North Tucker Boulevard, Room 630, St. Louis, Missouri 63101-1976, for Southwestern Bell Telephone Company.

Michael F. Dandino, Senior Public Counsel, Office of the Public Counsel, Post Office Box 7800, Jefferson City, Missouri 65102, for the Office of the Public Counsel and the public.

Cynthia R. Bryant, Assistant General Counsel, Missouri Public Service Commission, Post Office Box 360, Jefferson City, Missouri 65102, for the staff of the Missouri Public Service Commission.

**ADMINISTRATIVE**

**LAW JUDGE:** Gregory T. George.

**REPORT AND ORDER**

**Procedural History**

Tel-Save, Inc. d/b/a Tel-Save, Incorporated of Pennsylvania (Tel-Save or Applicant) applied to the Commission on May 5, 1997, for a certificate of service authority to provide basic local telecommunications

service in Missouri under Sections 392.420 - .440, RSMo 1994,<sup>1</sup> and 392.410 and .450, RSMo Supp. 1996. Tel-Save asked the Commission to classify it as a competitive company and waive certain statutes and rules as authorized by Sections 392.361 and 392.420. Tel-Save is a Pennsylvania corporation, with offices at 6805 Route 202, New Hope, Pennsylvania 18938.

The Commission issued an Order and Notice on May 7, directing parties wishing to intervene in the case to do so by June 5. The Commission granted permission to intervene to Southwestern Bell Telephone Company (SWBT) on June 12.

The parties filed a Stipulation and Agreement (SA) on July 24, and Tel-Save filed a motion asking that the Commission waive evidentiary hearing and take the Stipulation and Agreement under submission. The Stipulation and Agreement of the parties is attached to this Report and Order as Attachment A and incorporated by reference. The Commission Staff (Staff) filed Suggestions in Support of the Stipulation and Agreement on July 25.

## **Background**

Tel-Save, which is certificated to provide intrastate interexchange services in Missouri, wishes certification to provide facilities-based and resold basic local telecommunications services. Tel-Save wants to provide these services in portions of Missouri that are currently served by SWBT, GTE Midwest Incorporated (GTE) and United Telephone Company of Missouri d/b/a Sprint (Sprint-United). Tel-Save is not asking for certification in any area that is served by a small incumbent local exchange provider. The specific exchanges in which

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<sup>1</sup> All statutory references are to Revised Statutes of Missouri 1994, unless otherwise indicated.

Tel-Save proposes to operate are described in Appendix B to the application that was filed on May 5 (Attachment B to this order). Tel-Save is requesting that its basic local exchange services be classified as competitive and that certain statutes and regulatory rules be waived for Tel-Save.

## **Discussion**

**A. Requirements of 4 CSR 240-2.060(4).** Commission rule 4 CSR 240-2.060(4) requires a foreign corporation applying for certification to provide telecommunications services to include in its application a certificate from the Secretary of State showing it is authorized to do business in Missouri, a description of the types of service it intends to provide, a description of the exchanges where it will offer service, and a proposed tariff with a 45-day effective date. Tel-Save has provided all the required documentation except for the proposed tariff. The company has requested a temporary waiver of 4 CSR 240-2.060(4)(H) because it is impractical for Tel-Save to submit a tariff until it has executed interconnection agreements with the incumbent local exchange companies (ILECs) involved. Tel-Save cannot price its resold services until it has reached price agreements with the ILECs from which it will purchase those services. The company has agreed that, once it is possible to do so, it will submit to the Commission for approval a proposed tariff with a minimum 30-day effective date. Tel-Save will file the tariff in Case No. TA-97-485 and give notice of the tariff filing to all the parties and participants. Along with that filing Tel-Save has agreed to provide a written disclosure of all interconnection agreements it has entered into which affect its Missouri service areas. (SA page 3, ¶ 6).

**B. Basic local service certification.** Section 392.455, RSMo Supp. 1996, effective August 28, 1996, sets out the requirements for granting certificates to provide basic local telecommunications service to new entrants. A new entrant must: (1) possess sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service; (2) demonstrate that the services it proposes to offer satisfy the minimum standards established by the Commission; (3) set forth the geographic area in which it proposes to offer service and demonstrate that such area follows exchange boundaries of the incumbent local exchange telecommunications company and is no smaller than an exchange; and (4) offer basic local telecommunications service as a separate and distinct service. In addition, the Commission must give due consideration to equitable access for all Missourians to affordable telecommunications services, regardless of where they live or their income.

**1. Technical, financial and managerial resources and abilities.**

Tel-Save submitted Exhibit C with its application that lists the names and qualifications of its management team. In addition to academic credentials, the team members have experience in various areas of the telecommunications industry including technical services, customer services, policy, and product management. Tel-Save also submitted as Exhibit D the Securities and Exchange Commission (SEC) Form 10-Q and 10-K of its holding company, Tel-Save Holdings, Inc. and a press release regarding its 1996 earnings. The parties agreed that Tel-Save possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service. (SA page 5, ¶ 10A).

**2. The entrant's proposed services satisfy the minimum standards established by the Commission.** Tel-Save has agreed to meet the

Commission's minimum basic local service standards, including quality of service and billing standards. (SA page 2, ¶ 5). The parties agreed that Tel-Save proposes to offer basic local services that satisfy the minimum standards established by the Commission. (SA page 5, ¶ 10B).

**3. The geographic area in which the company proposes to offer service.** Tel-Save set out in Appendix B to its Application all the exchanges in which it proposes to offer services. Tel-Save has defined its service area by means of the tariffed exchange areas of the ILECs presently providing basic local service in those exchanges. Appendix B lists all the current exchanges of SWBT, GTE and Sprint-United. The company has agreed that its service area must follow ILEC exchange boundaries and be no smaller than an exchange. (SA page 3, ¶ 5). The parties agreed that Tel-Save has sufficiently identified the geographic area in which it proposes to offer basic local service and that the area follows ILEC exchange boundaries and is no smaller than an exchange. (SA page 5, ¶ 10C).

**4. The offering of basic local telecommunications service as a separate and distinct service.** Tel-Save has agreed to offer basic local telecommunications service as a separate and distinct service. (SA page 5, ¶ 10D).

**5. Equitable access for all Missourians to affordable telecommunications services.** Tel-Save has agreed to provide equitable access, as determined by the Commission, for all Missourians within the geographic area in which it will offer basic local services in compliance with Section 392.455(5), RSMo Supp. 1996. (SA page 5, ¶ 10E).

**D. Competitive classification.** The Commission may classify a telecommunications provider as a competitive company if the Commission

determines it is subject to sufficient competition to justify a lesser degree of regulation. Section 392.361.2. In making that determination the Commission may consider such factors as market share, financial resources and name recognition, among others. In re Investigation for the Purpose of Determining the Classification of the Services Provided by Interexchange Telecommunication Companies Within the State of Missouri, 30 Mo. P.S.C. (N.S.) 16 (1989); In re Southwestern Bell Telephone Company's Application for Classification of Certain Services as Transitionally Competitive, 1 Mo. P.S.C.3d 479, 484 (1992). In addition, all the services a competitive company provides must be classified as competitive. Section 392.361.3. The Commission has found that whether a service is competitive is a subject for case-by-case examination and that different criteria may be given greater weight depending upon the service being considered. *Id.* at 487.

The parties have agreed that Tel-Save should be classified as a competitive telecommunications company. (SA pages 5-6, ¶ 11). The parties have also agreed that Tel-Save's switched exchange access services may be classified as competitive services, conditioned upon certain limitations on Tel-Save's ability to charge for its access services. Tel-Save has agreed that, unless otherwise ordered by the Commission, its originating and terminating access rates will be no greater than the lowest Commission-approved corresponding access rates in effect at the date of certification for the large ILECs within those service areas in which Tel-Save seeks to operate. The parties have agreed that the grant of service authority and competitive classification to Tel-Save should be expressly conditioned on the continued applicability of Section 392.200, RSMo Supp. 1996, and on the requirement that any increases in switched access service rates above the

maximum switched access service rates set forth in the agreement must be cost-justified pursuant to Sections 392.220, RSMo Supp. 1996, and 392.230, rather than Sections 392.500 and 392.510.

The parties agreed that waiver of the following statutes is appropriate: Sections 392.210.2, 392.270, 392.280, 392.290.1, 392.300.2, 392.310, 392.320, 392.330, RSMo Supp. 1996, and 392.340. The parties also agreed that application of these Commission rules could be waived: 4 CSR 240-10.020, 4 CSR 240-30.040, and 4 CSR 240-35.

### **Findings of Fact**

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact:

1. The Commission finds that competition in the basic local exchange telecommunications market is in the public interest.
2. The Commission finds that Tel-Save has met the requirements of 4 CSR 240-2.060(4) for applicants for certificates of service authority to provide telecommunications services with the exception of the filing of a tariff with a 45-day effective date.
3. The Commission finds that Tel-Save has demonstrated good cause to support a temporary waiver of the tariff filing requirement and the waiver shall be granted.
4. The Commission finds that Tel-Save meets the statutory requirements for provision of basic local telecommunications services and has agreed to abide by those requirements in the future. The Commission determines that granting Tel-Save a



certificate of service authority to provide basic local exchange telecommunications services is in the public interest. Tel-Save's certificate should become effective when its tariff becomes effective.

5. The Commission finds that Tel-Save is a competitive company and should be granted waiver of the statutes and rules set out in Ordered Paragraph 4.
6. The Commission finds that Tel-Save's certification and competitive status are expressly conditioned upon the continued applicability of Section 392.200, RSMo Supp. 1996, and on the requirement that any increases in switched access services rates above the maximum switched access service rates set forth in the agreement must be cost-justified pursuant to Sections 392.220, RSMo Supp. 1996, and 392.230, rather than Sections 392.500 and 392.510.

### **Conclusions of Law**

The Missouri Public Service Commission has arrived at the following conclusions of law:

The Commission has the authority to grant certificates of service authority to provide telecommunications service within the State of Missouri. Tel-Save has requested certification under Sections 392.420 -.440, and Sections 392.410 and .450, RSMo Supp. 1996. Those statutes permit the Commission to grant a certificate of service authority where the grant of authority is in the public interest.

The Federal Telecommunications Act of 1996 and Missouri Senate Bill 507 were designed to institute competition in the basic local exchange

telecommunications market in order to benefit all telecommunications consumers. Section 392.185, RSMo Supp. 1996, states that "the provisions of this chapter shall be construed to: (1) Promote universally available and widely affordable telecommunications services; . . . (3) Promote diversity in the supply of telecommunications services and products throughout the state of Missouri; . . . (6) Allow full and fair competition to function as a substitute for regulation when consistent with the protection of ratepayers and otherwise consistent with the public interest. . . ."

The Commission has the legal authority to accept a Stipulation and Agreement as offered by the parties as a resolution of the issues raised in this case, pursuant to Section 536.060, RSMo Supp. 1996. Based upon the information contained within the Stipulation and Agreement of the parties, the Suggestions in Support of the Stipulation and Agreement, the verified petition, and on its findings of fact, the Commission concludes that the Stipulation and Agreement should be approved.

**IT IS THEREFORE ORDERED:**

1. That the motion of Tel-Save, Inc. d/b/a Tel-Save, Incorporated of Pennsylvania to waive evidentiary hearing is granted.
2. That the Stipulation and Agreement filed on July 24, 1997, and attached to this Report and Order as Attachment A, is adopted.
3. That Tel-Save, Inc. d/b/a Tel-Save, Incorporated of Pennsylvania is granted a certificate of service authority to provide basic local telecommunications services in the State of Missouri, subject to the conditions of certification set out above, to become effective when the company's tariff becomes effective.

4. That Tel-Save, Inc. d/b/a Tel-Save, Incorporated of Pennsylvania is classified as a competitive telecommunications company. The following statutes and regulatory rules shall be waived:

Statutes

- 392.210.2 - uniform system of accounts
- 392.270 - valuation of property (ratemaking)
- 392.280 - depreciation accounts
- 392.290.1 - issuance of securities
- 392.300.2 - acquisition of stock
- 392.310 - stock and debt issuance
- 392.320 - stock dividend payment
- 392.330 - issuance of securities, debts and notes
- 392.340 - reorganization(s)

Commission Rules

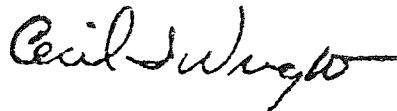
- 4 CSR 240-10.020 - depreciation fund income
- 4 CSR 240-30.040 - uniform system of accounts
- 4 CSR 240-35 - reporting of bypass and customer-specific arrangements

5. That the filing of a 45-day tariff as required by 4 CSR 240-2.060(4)(H) is waived until Tel-Save, Inc. d/b/a Tel-Save, Incorporated of Pennsylvania has entered into a Commission-approved interconnection agreement that enables it to provide basic local exchange services.

6. That Tel-Save, Inc. d/b/a Tel-Save, Incorporated of Pennsylvania shall file tariff sheets for approval no later than 30 days after the Commission approves the required interconnection agreement or agreements. The proposed tariff sheets shall reflect the rates, rules, regulations and the services it will offer. The tariff shall include a listing of the statutes and Commission rules waived under Ordered Paragraph 4.

7. That this Report and Order shall become effective on August 22, 1997.

BY THE COMMISSION

A handwritten signature in cursive script, appearing to read "Cecil I. Wright".

Cecil I. Wright  
Executive Secretary

( S E A L )

Zobrist, Chm., Crumpton, Drainer,  
Murray and Lumpe, CC., concur.

Dated at Jefferson City, Missouri,  
on this 12th day of August, 1997.

BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

FILED

JUL 24 1997

MISSOURI  
PUBLIC SERVICE COMMISSION

In the Matter of the Application of )  
Tel-Save Inc. d/b/a Tel-Save, )  
Incorporated of Pennsylvania for a )  
Certificate of Service Authority to )  
Provide Basic Local Telecommunications ) Case No. TA-97-485  
Service in Portions of the State of )  
Missouri and to Classify Said Services as )  
Competitive. )

STIPULATION AND AGREEMENT

1. Tel-Save Inc. d/b/a Tel-Save Incorporated of Pennsylvania ("Tel-Save") initiated this proceeding on May 5, 1997 by filing an Application ("Application") requesting a certificate of service authority to provide basic local telecommunications service on a resold basis in all exchanges currently served by Southwestern Bell Telephone Company ("SWB"), GTE Midwest Incorporated ("GTE") and United Telephone Company of Missouri ("United").

2. The Commission has granted the timely application to intervene of SWB on June 12, 1997. No other party has sought to intervene.

3. In its June 12, 1997 Order, the Commission directed the parties to file a proposed procedural schedule no later than July 14, 1997. On July 14, 1997, Tel-Save filed its Motion To Establish Stipulation Filing Deadline and therein indicated that Tel-Save intended to file a unanimous Stipulation and Agreement on or before July 25, 1997.

4. For purposes of this Stipulation and Agreement, the parties agree that applications for local exchange and basic local exchange authority in exchanges served by "large" local

exchange companies (LECs)<sup>1</sup> should be processed in a manner similar to that in which applications for interexchange and local exchange authority are currently handled.

5. In determining whether Tel-Save's application for certificate of service authority should be granted, the Commission should consider Tel-Save's technical, financial and managerial resources and abilities to provide basic local telecommunications service. Tel-Save must demonstrate that the basic local services it proposes to offer satisfy the minimum standards established by the Commission, including but not limited to the applicant agreeing to file and maintain basic local service tariff(s) with the Commission in the same manner and form as the Commission requires of incumbent local exchange telecommunications companies with which the applicant seeks to compete. Further, Tel-Save agrees to meet the minimum basic local service standards, including quality of service and billing standards, as the Commission requires of the incumbent local exchange telecommunications companies with which the applicant seeks to compete. Notwithstanding the provisions of Section 392.500 RSMo (1994), as a condition of certification and competitive classification, Tel-Save agrees that, unless otherwise ordered by the Commission, the applicant's originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect at the date of certification for the large incumbent LEC(s) within those service area(s) applicant seeks authority to provide service. Further, Tel-Save agrees to offer basic local telecommunications service as a separate and distinct service and must sufficiently identify the geographic service area in which it proposes to offer basic local service. Such

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<sup>1</sup>Large LEC's are defined as LECs who serve 100,000 or more access lines. Section 386.020 RSMo. Supp. 1996. In Missouri, the current large LECs are SWBT, GTE and United.

area must follow exchange boundaries of the incumbent local exchange telecommunications companies in the same area and must be no smaller than an exchange. Finally, Tel-Save agrees to provide equitable access as determined by the Commission for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of where they live or their income, to affordable telecommunications services. See Section 392.455 RSMo (1996 Supp.).

6. Tel-Save has submitted its application without tariffs and sought a temporary waiver of 4 CSR 240-2.060(4)(H).<sup>2</sup> Tel-Save agrees to formally file its initial tariff(s) in the certification docket and serve all parties thereto with written notice at the time the initial tariff(s) are submitted to afford them an opportunity to participate in the tariff approval process. Copies of the tariff(s) will be provided by Tel-Save to such parties immediately upon request. Any service authority shall be regarded as conditional and shall not be exercised until such time as tariff(s) for services have become effective. When filing its initial basic local tariff(s), Tel-Save shall also file and serve a written disclosure of all interconnection or resale agreements which affect its Missouri service areas, all portions of its Missouri service areas for which it does not have an interconnection agreement with the incumbent local exchange carrier; and its explanation of why such an interconnection agreement is unnecessary for such areas.

7. Tel-Save has, pursuant to Section 392.420 RSMo requested that the Commission waive the application of any or all of the following statutory provisions and rules to basic

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<sup>2</sup>Good cause for failure to file proposed tariffs with the Application must be shown. The lack of an approved interconnection agreement (47 USC 252) constitutes good cause.

local telecommunications services, and the parties agree that the Commission should grant such request provided that Section 392.200 RSMo should continue to apply to all of Tel-Save's services:

STATUTORY PROVISIONS

COMMISSION RULES

Section 392.210.2  
Section 392.270  
Section 392.280  
Section 392.290.1  
Section 392.300.2  
Section 392.310  
Section 392.320  
Section 392.330  
Section 392.340

4 CSR 240-10.020  
4 CSR 240-30.040  
4 CSR 240-35

8. The parties have employed the foregoing standards and criteria, which are intended to meet the requirements of existing law and Sections 392.450 and 392.455 of SB 507 regarding applications for certificates of local exchange service authority to provide or resell basic local telecommunications service, in negotiating the remaining provisions of this Stipulation and Agreement.

**B. TEL-SAVE'S CERTIFICATION**

9. Tel-Save has submitted as Appendix B to its Application a listing of the specific exchanges in which it seeks authority to provide service. Tel-Save hereby agrees that its original Application should be deemed further amended as required to include by reference the terms and provisions described in paragraphs 5-7 hereinabove to the extent that its original Application might be inconsistent therewith.

10. Based upon its verified Application, as amended by this Stipulation and Agreement, Tel-Save asserts, and no party makes a contrary assertion, that there is sufficient



evidence from which the Commission should find and conclude that Tel-Save:

- A. possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service and local exchange telecommunications service, including exchange access service;
- B. proposes and agrees to offer basic local services that will satisfy the minimum standards established by the Commission;
- C. has sufficiently identified the geographic area in which it proposes to offer basic local service and such area follows exchange boundaries of the incumbent local exchange telecommunications companies in the same areas, and such area is no smaller than an exchange;
- D. will offer basic local telecommunications services as a separate and distinct service;
- E. has agreed to provide equitable access as determined by the Commission for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of where they live or their income, to affordable telecommunications services; and
- F. has sought authority which will serve the public interest.

11. Tel-Save asserts and no party opposes, that Tel-Save's application and request for authority to provide basic local telecommunications service (including exchange access service) should be granted. All services<sup>3</sup> authorized herein should be classified as competitive telecommunications services, provided that the requirements of Section 392.200 continue to

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<sup>3</sup>Switched exchange access service is further addressed in paragraph 11 below.

apply, and Tel-Save shall continue to be classified as a competitive telecommunications company. Tel-Save asserts, and no party opposes, that such services will be subject to sufficient competition by the services of the incumbent LECs to justify a lesser degree of regulation of Tel-Save's services consistent with the protection of ratepayers and the promotion of the public interest. Such classification should become effective upon the tariffs for the services becoming effective. Such authority should be conditional, and not to be exercised until such time as tariffs for those services have been filed (together with the written disclosure as stipulated above) and have become effective. The Commission's Order should state the foregoing conditions substantially as follows:

"The service authority and service classification herein granted are subject to the requirements of Section 392.200 and are conditional and shall not be exercised until such time as tariffs for services have become effective."

The parties agree that the applicant's switched exchange access services may be classified as competitive services. The parties further agree that the applicant's switched exchange access services are subject to Section 392.200. Any increases in switched access service rates above the maximum switched access service rates as set forth in paragraph 5 herein shall be cost-justified and be made pursuant to 392.220 and 392.230 and not 392.500 and 392.510. The Commission's order should state the foregoing conditions substantially as follows:

"The service authority and service classification for switched exchange access granted herein is expressly conditioned on the continued applicability of Section 392.200 and the requirement that any increases in switched access service rates above

the maximum switched access service rates set forth herein shall be cost-justified and be made pursuant to Sections 392.220 and 392.230 and not Sections 392.500 and 392.510."

12. Tel-Save's request for a temporary waiver of 4 CSR 240-2.060(4)(H), which requires applications to include a proposed tariff with a 45-day effective date, is not opposed by the parties and should be granted because at the time of filing its Application Tel-Save did not have approved interconnection or resale agreements with SWB, GTE or United. Tel-Save agrees that at such time as all facts necessary for the development of tariffs become known, it will submit tariffs in this docket, with a minimum 30-day proposed effective date, to the Commission for its approval, together with the written disclosure as stipulated above. Tel-Save shall serve notice to all parties and participants in this docket of the filing of its tariffs at the time they are filed with the Commission, and serve them with the aforesaid written disclosure and shall upon request immediately provide any party with a copy of those tariffs. The Commission's order should state these obligations as conditions to the temporary waiver of 4 CSR 240-2.060(4)(H), substantially as follows:

"Applicant's request for temporary waiver of 4 CSR 240-2.060(4)(H) is hereby granted for good cause in that applicant at the time of filing its Application did not have an approved interconnection or resale agreement with the incumbent local exchange carrier[s] within whose service areas it has sought authority to provide service; provided, when applicant submits its tariffs in this docket to the Commission such tariffs shall have a minimum of a 30-day effective date and the applicant shall serve written notice upon the parties hereto of such submittal, and shall provide copies

of such tariffs to such parties immediately upon request. When filing its initial basic local tariff in this docket, the applicant shall also file and serve upon the parties hereto a written disclosure of: all interconnection or resale agreements which affect its Missouri service areas; all portions of its Missouri service areas for which it does not have an interconnection or resale agreement with the incumbent local exchange carrier; and its explanation of why such an interconnection or resale agreement is unnecessary for any such areas."

13. Tel-Save's request for waiver of the application of the following rules and statutory provisions as they relate to the regulation of Tel-Save's new services should be granted:

STATUTORY PROVISIONS

COMMISSION RULES

Section 392.210.2	4 CSR 240-10.020
Section 392.270	4 CSR 240-30.040
Section 392.280	4 CSR 240-35
Section 392.290.1	
Section 392.300.2	
Section 392.310	
Section 392.320	
Section 392.330 and Section 392.340.	

14. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof. The Stipulations herein are specific to the resolution of this proceeding and are made without prejudice to the rights of the signatories to take other positions in other proceedings.

15. In the event the Commission accepts the specific terms of this Stipulation and

Agreement, the parties and participants waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.080.1, RSMo 1994, to present testimony, to cross-examine witnesses, and to present oral argument or written briefs; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 1994; and their respective rights to seek rehearing pursuant to Section 386.500 RSMo 1994 and to seek judicial review pursuant to Section 386.510, RSMo. 1994. The parties agree to cooperate with the Applicant and with each other in presenting this Stipulation and Agreement for approval to the Commission and shall take no action, direct or indirect, in opposition to the request for approval of Tel-Save's Application made herein.

16. The Staff may submit a Staff Recommendation concerning matters not addressed in this Stipulation. In addition, if requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each party of record and participant herein shall be served with copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's memorandum, a responsive memorandum which shall also be served on all parties and participants. All memoranda submitted by the parties shall be considered privileged in the same manner as settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all parties and participants, and shall not become a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in any future proceeding or in this proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to

the Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation to the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties and participants with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure.

WHEREFORE, the signatories respectfully request the Commission to issue its Order approving the terms of this Stipulation and Agreement and issue its Order granting authority and classification as requested by Tel-Save, Inc. d/b/a Tel-Save Incorporated of Pennsylvania subject to the conditions described above, as expeditiously as possible.

Respectfully submitted,



Charles Brent Stewart, MoBar 34885  
French & Stewart  
1001 Cherry Street, Suite 302  
Columbia, Missouri 65201

FOR: Tel-Save Inc. d/b/a  
Tel-Save Incorporated of Pennsylvania



Michael F. Dandino, MoBar 24590  
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Jefferson City, Missouri 65102

FOR: Office of the Public Counsel and  
the Public

Anthony Conroy *By CAS*

Leo J. Bub, MoBar 34326  
Anthony Conroy, MoBar 35199  
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100 N. Tucker Blvd., Room 630  
St. Louis, Missouri 63101-1976  
FOR: Southwestern Bell Telephone  
Company

Cynthia Bryant *By CBS*

Cynthia Bryant, MoBar 47937  
Assistant General Counsel  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65101

FOR: The Staff of the Missouri  
Public Service Commission

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing Stipulation and Agreement was served on counsel for all parties of record in Case No. TA-97-485 by depositing same in the United States Mail, first class postage prepaid, or by hand-delivery, this 24th day of July, 1997.

Charles Brent Stewart

Proposed Exchanges to be Served

Exchanges Served by Southwestern Bell:

Adrian	Climax Sprgs N.	Helena	Mehlville
Advance	Creve Coeur	Herculaneum-	Meta
Agency	De Kalb	Pevely	Mexico
Altenburg-	De Soto	Higbee	Moberly
Frohna	Deering	High Ridge	Monett
Antonia	DeSoto	Hillsboro	Montgomery City
Archie	Dexter	Holcomb	Morehouse
Argyle	Downing	Hornersville	Nashua
Armstrong	E. Independence	Horseshoe Bend	Neosho
Ash Grove	East Prairie	House Springs	Nevada
Beaufort	Edina	Imperial	New Franklin
Bell City	Eldon	Independence	New Madrid
Belton	Elsberry	Jackson	Nixa
Benton	Essex	Jasper	Oak Ridge
Billings	Eureka	Joplin	Old Appleton
Bismarck	Excelsior Spgs.	Kansas City	Oran
Bloomfield	Fair Grove	Kaskaskia	Osage Beach
Bloomsdale	Farley	Kennett	Overland
Blue Springs	Farminton	Kirksville	Pacific
Bonne Terre	Fayette	Kirkwood	Parkville
Boonville	Fenton	Knob Noster	Patton
Bowling Green	Ferguson	La Monte	Paynesville
Bridgeton	Festus-	Ladue	Perryville
Brookfield	Crystal City	Lake Ozark	Pierce City
Camdenton	Fisk	Lamar	Pocahontas-
Camdenton N.	Flat River	Lancaster	New Wells
Campbell	Florissant	Leadwood	Pond
Cape Girardeau	Frankford	Lees Summit	Poplar Bluff
Cardwell	Fredericktown	Lilbourn	Portage des Sioux
Carl Junction	Freeburg	Linn	Portageville
Carrollton	Fulton	Lockwood	Puxico
Carthage	Gideon	Louisiana	Puxico West
Caruthersville	Gladstone	Macks Creek	Qulin
Cedar Hill	Glasgow	Malden	Raytown
Center	Grain Valley	Manchester	Republic
Chaffee	Gravois Mills	Marble Hill	Richmond
Charleston	Gray Summit	Marceline	Richwoods
Chesterfield	Greenwood	Marionville	Risco
Chillicothe	Hannibal	Marshall	Riverview
Clarksville	Harvester	Marston	Rogersville
Clever	Hayti	Maxville	Rushville
Climax Springs	Hazelwood	McClure	Saint Charles



Exchanges Served by Southwestern Bell. (cont'd):

Saint Clair	Smithville	Town & Country	Webb City
Saint Joseph	S. Independence	Trenton	Webster Groves
Saint Louis	South Kansas City	Tuscumbia	Weldon Springs
Saint Marys	Spanish Lake	Union	Wellsville
Sainte Genevieve	Springfield	Valley Park	Westphalia
San Antonio	St. Charles	Versailles	Willard
Sappington	St. Louis	Vienna	Woods Mill
Scott City	Stanberry	Walnut Grove	Wyatt
Sedalia	Strafford	Wardell	
Senath	Sunrise Beach	Ware	
Sikeston	Tiffany Springs	Washington	

Exchanges Served by GTE Midwest, Inc.:

Alton	Almer	La Belle	Preston
Arcola	Eminence	La Plata	Protem
Augusta	Everton	Ladonia	Reeds Spring
Avilla	Exeter	Leasburg	Revere
Belgrade	Foley	Lesterville	Roby
Bellevue	Fordland	Licking	Rockaway Beach
Birch Tree	Forstell	Louisburg	Rockville
Bland	Forsyth	Lowry City	Safe
Blue Eye	Fremont	Manes	Saint James
Bourbon	Gainesville	Mano	Saint Peters
Bradleyville	Galena	Marshfield	Santa Fe
Branson	Golden City	Marthasville	Sarcoie
Branson West	Gorin	Milo	Schell City
Bronaugh	Greenfield	Montauk	Sheldon
Bunker	Groverspring	Morrison	Shell Knob
Caledonia	Hartville	Moscow Mills	Sparta
Cape Fair	Hawk Point	Mount Sterling	Stoutsville
Cassville	Hermitage	Nebo	Thayer
Centerville	High Hill	New Melle	Theodosia
Chamois	Highlandville	Niangua	Timber
Concordia	Holstein	Norwood	Troy
Cross Timbers	Irondale	O'Fallon	Urbana
Cuba	Ironton	Oates	Van Buren
Dadeville	Jamestown	Old Monroe	Vanzant
Dardenne	Jenkins	Ozark	Vichy
Defiance	Jerico Springs	Perry	Walker
El Dorado Spgs.	Jonesburg	Pittsburg	Warrenton
Elkland	Kimberling City	Potosi	Washburn
Ellsinore	Koshkonong	Prairie Home	Wasola

Exchanges Served by GTE Midwest, Inc., cont'd.:

Wentzville	Winfield	Woolridge
Wheatland	Winona	Wright City

Exchanges Served by GTE North, Inc.:

Amazonia	Clarksdale	Hamilton	Rocheport
Ashland	Collins	Humansville	Rosendale
Ava	Columbia	Kahoka	Savannah
Avenue City	Cosby	Kidder	Stewartsville
Bolckow	Crane	Kingston	Sturgeon
Boss	Dora	Macon	Trimble
Braymer	Easton	Mansfield	Wayland
Cameron	Edgar Springs	Maysville	Weaubleau
Centralia	Fillmore	Osborn	Whitesville
Clark	Gower	Osceola	

United Telephone Company of Missouri:

Appleton City	Holt	Orrick
Blackburn	Holts Summit	Otterville
Blairstown	Hopkins	Pickering
Brazito	Houstonia	Platte City
Buckner	Ionia	Pleasant Hill
Butler	Jefferson City	Richland
Calhoun	Kearney	Rolla
California	King City	Russelville
Camden Point	Kingsville	Saint Robert
Centertown	Lake Lotawana	Salem
Chilhowee	Lebanon	Smithton
Clarksburg	Leeton	Strasburg
Clinton	Lexington	Sweet Springs
Coal	Lincoln	Syracuse
Cole Camp	Lonejack	Taos
Craig	Malta Bend	Tarkio
Dearborn	Maryville	Tipton
Deepwater	Missouri City	Urich
Edgerton	Montrose	Warrensburg
Eugene	Mound City	Warsaw
Fairfax	New Bloomfield	Waverly
Ferrelview	Newburg	Waynesville
Fort Leonard Wood	Norborne	Wellington
Green Ridge	Oak Grove	Weston
Hardin	Odessa	Windsor